

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF GRAYSON)	CASE NO.
COUNTY WATER DISTRICT FOR A RATE)	2021-00191
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

ORDER

On December 14, 2021, the Commission issued an Order that, among other things, established new rates for water service and modified several of Grayson District's charges for nonrecurring services. The December 14, 2021 Order incorporated the findings of the Commission Staff's Report that was issued October 6, 2021, which established reduced fees for nonrecurring charges to remove labor costs.

Subsequent to the December 14, 2021 Order and a January 5, 2022 Order that granted rehearing on Grayson District's service line inspection fee, the utility notified the Commission the Grayson District's "field collection charge" included labor costs that, consistent with the December 14, 2021 Order, should be removed. The field collection charge was not addressed in the Staff Report or the Commission's December 14, 2021 and January 5, 2022 Orders. Grayson District indicated that it did not include nonrecurring charges in the test year filed in this proceeding if the nonrecurring charge had zero revenue in the test year.

The Commission, on its own motion, finds that consistent with the findings of fact in the December 14, 2021 Order, the December 14, 2021 Order should be amended to

include Grayson District's field collection charge of \$15, which reflects a reduction from \$60 to \$15 to remove labor costs.

The Commission notes that this issue arose because Grayson District did not include nonrecurring charges with zero revenue in its test year. In the future, the Commission expects Grayson District, and all utilities, to provide a complete accounting for all nonrecurring charges in test year revenues and expenses filed in a rate case, including charges for which no revenue was received. This is because the better practice is to account for all nonrecurring costs, listing zero revenue for those nonrecurring charges with zero revenue in the test year. Grayson District is reminded that it bears the burden of proof in a rate case, including providing complete information for the Commission to evaluate.

Finding that the December 14, 2021 Order should be amended, the Commission HEREBY ORDERS that:

1. Appendix B to the Commission's December 14, 2021 Order is amended to include a field collection charge of \$15.
2. All other provisions of the Commission's December 14, 2021 Order that is not in conflict with the terms of this Order, or the Order on rehearing issued by the Commission on January 5, 2022, shall remain in effect.

By the Commission

ENTERED
JAN 28 2022 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

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Executive Director

Case No. 2021-00191

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